



Criminal Division

***PREPARED REMARKS OF**

ACTING ASSISTANT ATTORNEY GENERAL
JOHN C. RICHTER, CRIMINAL DIVISION

AT THE PRESS CONFERENCE FOR
OPERATION SMOKING DRAGON AND
OPERATION ROYAL CHARM

WASHINGTON, D.C.

MONDAY, AUGUST 22, 2005 - 2:30 p.m.

* Mr. Richter frequently speaks from notes and may depart from the speech as prepared.

Good afternoon.

We are here today to announce the take-down of Operations Royal Charm and Smoking Dragon – two remarkable undercover operations that targeted criminal smugglers overseas who plotted to flood our Nation with counterfeit money, weapons, drugs and other contraband. These operations were the result of the coordinated work of the FBI and the Secret Service, with substantial assistance from numerous other federal, state and local law enforcement agencies.

Today, I am joined by John Pistole, the Deputy Director of the FBI, and Barbara Riggs, the Deputy Director of the Secret Service, along with U.S. Attorneys Chris Christie of New Jersey and Debra Yang of the Central District of California, ATF Deputy Director Edgar Domenech and William Reid, the Assistant Director of Investigations for ICE.

As part of these Operations, this weekend, we arrested fifty-nine (59) defendants on racketeering and other charges arising out their participation in a vast international criminal enterprise. The arrests were the result of four indictments out of Los Angeles and six out of Newark, New Jersey, charging a total of 87 defendants.

Let me give you a quick run-down of the results we've achieved so far:

This organization was willing to be a one-stop shop for illegal goods.

We seized more than four million dollars of highly deceptive counterfeit currency (what some call “supernotes”) -- the largest seizure of its kind. And we did so before it could enter circulation here and cause economic damage.

We seized 36,000 ecstasy pills and almost one-half kilo of crystal meth and stopped a ring that would have facilitated more of these drugs being imported. We all know the risks these drugs pose and how important it is to keep them out of our communities.

We charged members of this organization with arms trafficking and conspiring to import more than a million dollar's worth of silenced pistols, submachine guns, assault rifles, and other weapons, including rocket launchers.

We also shut down an organization engaged in smuggling in hundreds of millions of counterfeit cigarettes.

Importantly, we also stemmed the flow of profits to fund this organization's continued criminal activities. Their cycle of crime stops today.

The indictments charge that members of this international criminal enterprise were manufacturing counterfeit cigarettes abroad and smuggling them into the U.S. They used the drugs, weapons and counterfeit currency to further the enterprise.

According to the indictments, the illegal materials were smuggled into the country on container ships with falsified bills of lading for toys, rattan furniture and other goods. And co-conspirators offered the counterfeit goods -- as well as counterfeit currency -- to undercover agents as payment to ensure clearance.

As you might imagine, this joint operation was dangerous -- with FBI agents having to pose as smugglers, drug and weapons traffickers, and even associates of Organized Crime families, in order to take it down.

This is a story of true collaboration within the law enforcement community. Superb cooperation between federal, state, local and international law enforcement yielded this important win in the continuing fight to keep America safe. On the international front, I would like to extend our particular appreciation to the Royal Canadian Mounted Police for their essential contributions to these investigations.

Of course, there is more work ahead -- there always is. But as this take-down illustrates, when we work together, we can reach our goals: safer communities and a Nation secured against those who would seek to do our citizens harm.

Thank you. I now turn to FBI Deputy Director John Pistole and my other partners on stage for comments. John?